

SENATE LABOR COMMITTEE

STATEMENT TO

SENATE, No. 2447

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 4, 2015

The Senate Labor Committee reports favorably and with committee amendments Senate Bill No. 2447.

As amended, this bill permits, but does not require, groups of employers establishing or participating in Taft-Hartley trust funds to purchase workers' compensation insurance as a group or to apply to the Commissioner of Banking and Insurance for approval to enter into agreements to pool their workers' compensation liabilities for the purpose of qualifying as members of a group plan for self-insurance. A "Taft-Hartley trust fund" is a labor-management, jointly administered fund established by collective bargaining to provide employee benefits such as medical benefits or pensions.

The bill requires the commissioner to recognize as valid a group plan for the payment of workers' compensation by a Taft-Hartley trust fund if the plan is negotiated between the employer group and one or more unions, and it complies with the commissioner's requirements to disclose information and take measures needed to ensure the payment of compensation. The commissioner may conduct annual examinations and deny applications or revoke his approval for good cause.

The bill also permits, but does not require, employers, whether or not they purchase group coverage or establish group self-insurance for workers' compensation, to negotiate with one or more unions an agreement to better promote workplace safety and the fair, timely, and cost-effective delivery of workers' compensation benefits by means of any one or more of the following:

1. The use of networks or lists, mutually agreed upon by the employers and the unions, of providers of medical treatment, medical evaluation and rehabilitation as the exclusive providers of those services, notwithstanding other provisions of the workers' compensation law regarding the selection of providers;
2. The coordination and integration of the delivery of workers' compensation with group health benefits and non-occupational temporary disability benefits;

3. The provision of additional benefits to supplement benefits provided under workers' compensation, non-occupational temporary disability insurance, or both;

4. The creation of joint labor-management occupational safety and health committees; and

5. The creation or promotion of light-duty, modified job and return-to-work programs.

As amended, the bill prohibits such agreements or group plans from diminishing employee entitlements to workers' compensation or temporary disability benefits or from denying or diminishing employee or employer rights regarding the obtaining or disputing of compensation or benefits, including, but not limited to, all rights of employers or employees to obtain resolution of disputed claims by the Division of Workers' Compensation, all rights of employees to secure treatment and services refused by an employer, all rights of employers or employees to representation by an attorney at any stage of the resolution of any aspect of a workers' compensation claim, and all rights of employers or employees to have attorney, witness and other fees paid, as provided by the workers' compensation law.

The Commissioner of Labor and Workforce Development is required to set standards, monitor, and issue annual reports regarding the agreements.

COMMITTEE AMENDMENTS:

The amendments adopted by the committee clarify that nothing in a collective bargaining agreement entered into under the bill (as well as nothing in an agreement or group plan for self-insurance, or group purchase of insurance, under the bill) is to be construed as permitting any diminishment of any rights provided by the workers' compensation law to employers (as well as employees), including, but not limited to, all rights to have disputed claims resolved by the Division of Workers' Compensation, and the right to have, and receive fees for, representation in such claims.